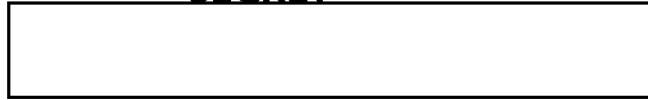


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BIWEEKLY REPORT

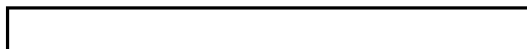
SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/65

4 August 1958

**PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events

18 - 31 July 1958

Attention continues to be focused on the activities of the Sino-Soviet Bloc in the Middle East. To date, Egypt, Syria, and Yemen have signed arms agreements with Czechoslovakia and the USSR with a total value of at least \$405 million. In addition, more than 895 Bloc military technicians have arrived in these countries, and 1,400 Middle East nationals have undergone military training in the Bloc.

The United Arab Republic and East Germany recently concluded a technical cooperation agreement which provides for East German assistance in the establishment of technical and training institutes in Syria and Egypt, the expansion of facilities in the free zones in Port Said and Suez and the construction of port facilities in Syria, and the surveying of the iron and manganese potential in Egypt and of industrial projects in Syria.

The new government in Iraq has decided to invite Bloc suppliers and contractors as well as Western firms to submit bids to the Iraq Development Board.

On 11 July the government of Afghanistan signed an agreement with the USSR providing for aerial mapping of northern Afghanistan.

It is reported that Indonesia has purchased from the USSR 12 fishing trawlers of 400 deadweight tons each. The vessels are to be converted in Indonesia for use in the coastal cargo service.

The USSR and Greece concluded a 3-year agreement calling for trade valued at \$17.5 million each way in 1958, \$21 million in 1959, and \$24 million in 1960. Greece is to export tobacco, citrus fruits, and dried fruits in exchange for Soviet machinery, petroleum, coal, and timber.

The USSR has offered to provide Argentina with equipment for the petroleum industry valued at about \$100 million.

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Under terms of the offer, payment would be in Argentine raw materials on a long-term basis. Also in Argentina, the Solid Fuels Administration announced the purchase of two new turbogenerators of 6,000 kilowatts each from Czechoslovakia for installation at Rio Turbio at a total cost of slightly more than \$2 million. Payment will be made under the terms of the Argentine-Czechoslovak trade and payments agreement.

Brazil recently signed a trade and payments agreement with Rumania under which Rumania will supply a variety of capital goods including equipment for the petroleum industry and ships in exchange for agricultural commodities including cotton and coffee.

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